

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:

GARRISON MUNICIPAL PARTNERS, LP
DEBTOR.

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**Case No. 14-32867
(Chapter 7)**

CHAPTER 7 TRUSTEE'S MOTION TO AUTHORIZE INTERIM DISTRIBUTION

THIS MOTION SEEKS AN ORDER THAT MAY ADVERSELY AFFECT YOU. IF YOU OPPOSE THE MOTION, YOU SHOULD IMMEDIATELY CONTACT THE MOVING PARTY TO RESOLVE THE DISPUTE. IF YOU AND THE MOVING PARTY CANNOT AGREE, YOU MUST FILE A RESPONSE AND SEND A COPY TO THE MOVING PARTY. YOU MUST FILE AND SERVE YOUR RESPONSE WITHIN 21 DAYS OF THE DATE THIS WAS SERVED ON YOU. YOUR RESPONSE MUST STATE WHY THE MOTION SHOULD NOT BE GRANTED. IF YOU DO NOT FILE A TIMELY RESPONSE, THE RELIEF MAY BE GRANTED WITHOUT FURTHER NOTICE TO YOU. IF YOU OPPOSE THE MOTION AND HAVE NOT REACHED AN AGREEMENT, YOU MUST ATTEND THE HEARING. UNLESS THE PARTIES AGREE OTHERWISE, THE COURT MAY CONSIDER EVIDENCE AT THE HEARING AND MAY DECIDE THE MOTION AT THE HEARING.

REPRESENTED PARTIES SHOULD ACT THROUGH THEIR ATTORNEY.

A HEARING ON THIS MOTION HAS BEEN SCHEDULED FOR SEPTEMBER 7, 2017 AT 10:00 A.M. C.S.T. BEFORE THE HONORABLE KAREN K. BROWN, U.S. BANKRUPTCY COURT, 515 RUSK, COURTROOM 403, HOUSTON, TEXAS 77002.

TO THE HONORABLE UNITED STATES BANKRUPTCY JUDGE:

This Motion seeks authorization to make an interim distribution to certain creditors of this bankruptcy estate. Every creditor and party in interest of this estate should read and understand this Motion. The Motion requests authorization to distribute money to satisfy

all the claim holders in full.

JURISDICTION AND VENUE

1. This Bankruptcy Court has jurisdiction over this Motion pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. §§ 157(b)(2)(A), (B), and (O). The Trustee consents to the entry of a final order by the Bankruptcy Court in connection with this Motion to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments consistent with Article III of the United States Constitution.

2. Venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409.

BACKGROUND

3. The Debtor is a limited partnership organized in February 2008 under the laws of the State of Texas. The primary objective of the Partnership was to invest in the municipal bond market.

4. On May 22, 2014 (the "Petition Date"), the Debtor filed a voluntary petition under chapter 7 of the Bankruptcy Code with the United States Bankruptcy Court for the Southern District of Texas, Houston Division (the "Bankruptcy Court").

5. After the Petition Date, the United States Trustee appointed Rodney D. Tow to serve as the duly-qualified and acting Chapter 7 trustee of the Debtor's estate.

6. Since his appointment, the Trustee has liquidated the Debtor's assets in accordance with the duties set out in section 704(a)(1) of the Bankruptcy Code.

7. Through this Motion, the Trustee seeks authority to make distributions to certain creditors.

**IMPORTANT INFORMATION REGARDING THE INTERIM
DISTRIBUTION AND HOW CREDITORS ARE AFFECTED**

8. The Trustee seeks to distribute cash to satisfy the holders of allowed claims of the estate in full.

9. “Exhibit A” is a list of all allowed claims, and the proposed distribution that will be made on account of such claims.

10. **Justification for an Interim Distribution.** This bankruptcy was originally filed in May 2014. Since that time, the estate has resulted in recoveries in excess of TWO MILLION dollars (\$2,000,000.00). The estate currently has ONE MILLION FOUR HUNDRED THIRTY-ONE THOUSAND NINE HUNDRED SEVENTY-FIVE dollars and THIRTY-THREE cents (\$1,431,975.33) available for distribution. The creditors can benefit from a distribution of the funds on hand. Since the distribution proposed in this Motion will satisfy the creditors in full, there is no benefit to the creditors to let this money sit in the estate.

11. **Final Distribution and Case Closure.** A final distribution and case closing cannot occur until the estate resolves all administrative matters, including final applications for professionals and the Trustee.

12. **Proposed Interim Distribution.** See Exhibit A. The Trustee will distribute FIVE HUNDRED THIRTY-THREE THOUSAND SIXTY-THREE dollars and THIRTY-THREE cents (\$533,063.33) to holders of allowed claims.

13. After this distribution, the estate will retain EIGHT HUNDRED NINETY-EIGHT THOUSAND NINE HUNDRED TWELVE dollars (\$898,912.00) which is sufficient to resolve all administrative matters and to pay attorney’s fees, other professionals’ fees, and other anticipated costs of the estate, and make a distribution to the equity holders.

MISCELLANEOUS PROVISIONS

14. Information regarding these distributions can be obtained by contacting the Trustee, Rodney D. Tow; Rodney Tow, PLLC; 1122 Highborne Cay Court, Texas City, Texas 77590; (281) 429-8300; rtow@rtowtrustee.com.

15. Objections and requests for hearing before the Bankruptcy Judge, if any, as to the above distributions, shall be in writing and filed with the clerk of the Bankruptcy Court and served upon the Trustee. Any objections not timely filed and served may be deemed waived.

Rodney D. Tow, Trustee, moves this Court to grant this Trustee's Motion to Authorize Interim Distribution, and for such other and further relief that he may be justly entitled.

DATED: August 16, 2017

Respectfully submitted,

DIAMOND MCCARTHY, LLP

/s/ Charles M. Rubio

Kyung S. Lee

State Bar No. 12128400

Charles M. Rubio

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Diamond McCarthy, LLP

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GENERAL COUNSEL TO
RODNEY D. TOW, TRUSTEE

CERTIFICATE OF SERVICE

I certify that on August 16, 2017, a true and correct copy of the foregoing document was served by (i) the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas to all parties registered to receive such service; and (ii) within one business day transmitted to the parties listed on the attached Service List by the method indicated.

/s/ Charles M. Rubio
Charles M. Rubio

Exhibit A

<i>Claim No.</i>	<i>Creditor name</i>	<i>Agreed Allowed Claim Amount</i>	<i>Distribution</i>
1	Alvarez & Marsal Global Forensic and Dispute Services, LLC	\$189,520.70	\$189,520.70
7-9	Andrews Kurth LLP	\$270,000.00	\$270,000.00
46	Southwest Securities, Inc.	\$73,542.63	\$73,542.63
Total		\$533,063.33	\$533,063.33

Service List
Case No. 14-32867

Debtor

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Via First Class Mail

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Chapter 7 Trustee

Rodney D. Tow
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Counsel for Chapter 7 Trustee

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Secured Creditors

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Service List
Case No. 14-32867

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Service List
Case No. 14-32867

MVH Grandchildren's Trust
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Service List
Case No. 14-32867

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PROPOSED ORDER

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:

GARRISON MUNICIPAL PARTNERS, LP
DEBTOR.

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**Case No. 14-32867
(Chapter 7)**

ORDER AUTHORIZING INTERIM DISTRIBUTION

The Trustee's Motion to Authorize Interim Distribution came before this Court. The Court has determined that the Motion should be granted.

It is HEREBY ORDERED THAT:

1. The Trustee is authorized to make interim distributions to the creditors listed on Exhibit A to this Order. The amount to be distributed to each creditor is set out under the column entitled "Distribution."
2. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Order are immediately effective and enforceable upon its entry; and
3. The Bankruptcy Court shall retain exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

Dated this __ day of _____ 2017.

Karen K. Brown
United States Bankruptcy Judge

Exhibit A

<i>Claim No.</i>	<i>Creditor name</i>	<i>Agreed Allowed Claim Amount</i>	<i>Distribution</i>
1	Alvarez & Marsal Global Forensic and Dispute Services, LLC	\$189,520.70	\$189,520.70
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